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House Homeland Security Committee Leaders Call for Investigation into "Operation Blue Roof"

Reports that the Federal Government May Be Paying Inflated Prices for Temporary Roofs Raise Questions about Government Contracting Practices

WASHINGTON- House Homeland Security Committee Ranking Member, Bennie G. Thompson (D-MS) and Congressman Bill Pascrell, Ranking Member of the Subcommittee on Emergency Preparedness, Science and Technology today called for the U.S. Army Corp of Engineers Inspector General to investigate several contracts awarded to provide temporary roofs for the tens of thousands of homes damaged by Hurricane Katrina.

News reports suggesting the government is paying \$2,980 to \$3,500 for the blue plastic tarps—when the usual going rate is only \$300—sparked the Congress members' concerns. Estimates are that as many as 300,000 homes will need the temporary roofs.

"With a project of such great importance and potential expense, strong management and oversight is essential. Yet, this doesn't seem to be the case," Reps. Thompson and Pascrell said.

"If contractors are excessively overpaid for the standard commercial value of their work, we've got a problem," said Thompson. "The federal government is wasting taxpayer dollars and it needs to start doing a better job of managing federal contracts. With the President's current plan to rescind some of the funds for Katrina recovery, this Administration must be sure that no dollar goes wasted, and that no contractor gets away with abusing our contracting laws."

Some of the companies awarded contracts for Hurricane Katrina recovery also received contracts last year to handle damage from Hurricane Ivan. The U.S. Attorney for Florida's Northern District is currently investigating aspects of the Operation Blue Roof program launched in that state last year. Many of those contractors are now recipients of Katrina contracts.

A copy of the letter is attached.